



Market Monitoring

March 5, 2002



Summary of Comments

- Support creation of independent not-for-profit corporation and recommend similar approach to creation of RTO West (**WPAG**)
- Statement in draft regarding who is subject to market monitoring plan is too broad (**WPAG**)
- The responsibility of the RTO West Board to respond to requests of MMU should be detailed in the Bylaws (**Snohomish**)



Summary of Comments

- Proposal is inadequate
 - RTO West should have market mitigation plan
 - MMU should have mitigation authority
 - MMU should not disclose all of its screens
 - MMU should have access to all information in the possession of the RTO
- (SMUD)**



Responses

- Filing utilities are committed to the establishment of an independent single-west-wide market monitoring entity
- RTO West market monitoring plan is just a placeholder; it is anticipated that if the plan is implemented, the existence of the RTO West MMU will be short-lived as it will be replaced by the west-wide market monitoring entity as soon as possible



Responses

- In light of this, many of the filing utilities have concluded that it is not necessary to create an independent corporation as part of the RTO West market monitoring proposal
 - As such, market monitoring plan now contains Stage 1 treatment of an internal MMU with procedural safeguards to provide sufficient independence



Responses

- The provision identifying who is subject to the market monitoring plan has been stricken
- The filing utilities have not ruled out the possibility of modifying the Bylaws to specify the responsibility of the Board to respond to MMU requests but it has not yet been agreed to



Responses

- Mitigation Plan
 - The filing utilities have not ruled out the possibility that RTO West will have some market power mitigation mechanisms, but the need for these will not be known until the RTO market designs undergo validation testing
 - There is a provision in the TOA allowing flexibility regarding the ability of the RTO to adopt a market mitigation program



Responses

- Mitigation Authority
 - The filing utilities believe it is FERC's responsibility to determine appropriate market power mitigation mechanism, on their own initiative or after review of an RTO West proposal
 - The MMU will be monitoring for compliance with FERC-approved market power mitigation measures



Responses

- The market monitoring plan has been redrafted to clarify that the MMU will have access to all information in the possession of the RTO